

FISCAL NOTE

SB 955 - HB 1290

April 4, 2001

SUMMARY OF BILL: Permits employees retiring from local government participating in the state sponsored Local Government Plan to continue health insurance coverage if they have at least 25 years service with the local government and have participated in the local government plan for at least one year.

Under current law, this group of employees may continue coverage if they meet the following criteria which was established by the Local Education Insurance Committee, not by statute:

- age 55 with 20 years service and covered by the plan for the year immediately prior to retirement.
- age 55 with 10 years service and covered by the plan for the three years immediately prior to retirement.
- 30 years service with the agency and covered by the plan for the year immediately prior to retirement.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Less Than \$100,000

Based on information provided by the Department of Finance and Administration, Division of Insurance Administration:

- The legislation would enable public employees of the City of Knoxville who participate in the City sponsored retirement plan to continue health insurance as a retiree when they are eligible to retire, (in the Knoxville City plan the retirement criteria is age 50 with 25 years of service).
- The City of Knoxville employs approximately 700 police officers and firefighters.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director